



Subject:	Transfer of DSD Regeneration Powers
Date:	Wednesday 9 December 2015
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Is this report restricted?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

1.0	Purpose of Report
1.1	The purpose of this report is provide Members with an update on the status of the proposed transfer of Urban Regeneration and Community Development powers, and associated budgets, from the Department for Social Development (DSD) to Council in April 2016.
2.0	Recommendations
2.1	Members are asked to note the contents of the report including: <ul style="list-style-type: none">(i) the decision taken by Full Council on 1 December 2015, to call for the NI Assembly to undertake an early review of the decision taken by DSD not to transfer regeneration powers in April 2016;(ii) the urgent meeting requested between a all-party deputation from the Council and the Social Development Minister, Mervyn Storey MLA, to examine all what alternative arrangements could be put in place to enable the Council to utilise key regeneration functions on behalf of DSD in the event of the non-transfer of these powers;(iii) correspondence to be issued to DSD seeking agreement permitting the use of/transfer of assets at nil cost to the Council to enable physical regeneration projects to happen at both a city and neighbourhood level.(iv) the work underway by the Council to support and stimulate the further development and regeneration of the city including the lobby for greater devolution to city-regions.
3.0	Main Report
3.1	As Members will be aware in April 2016, the Council was due to become the regeneration authority for the city and to inherit additional powers and budgets from the Department for Social Development (DSD). This would have included an enhanced responsibility for, among other things, leading both citywide strategic urban regeneration and smaller scale area-focused neighbourhood regeneration activity through the utilisation of comprehensive development powers. The Council

	would have also been given responsibility for developing and delivering the successor programme to Neighbourhood Renewal and the allocation of a substantial revenue grant funding package.
4.0	Key Issues
4.1	On the 26 November 2015, the Social Development Minister, Mervyn Storey MLA confirmed that the transfer of regeneration powers to councils as planned in April 2016 would now not happen (refer to Appendix1). This is the second time the planned transfer has been postponed with the original transfer scheduled for April 2015 as part of the wider Local Government Reform process. This time round, however, there is no future date set out as to when (or even if) these important functions would transfer back to local councils.
4.2	<p>The non-transfer of key regeneration functions, particularly Comprehensive Development Powers and the ability to acquire land for regeneration purposes, will seriously hamper the ability of the Council to take forward major investment, development and regeneration plans; unlocking and realising the potential of flagship schemes (e.g. North East Quarter, Northside) and reinvigorating key areas in the city (e.g. Linen Quarter, Cathedral Quarter, Western Quarter). It will constrain the ability of the Council to fully deliver Members' ambitions and priorities emerging from the City Centre Regeneration and Investment Strategy, support investment in the city centre which will grow the economy, create jobs and prosperity and improve quality of life for our citizens. It will also impact upon the ability of the council to:</p> <ul style="list-style-type: none"> • Create the conditions and opportunities to invest in Belfast, supporting economic growth & prosperity • Provide the required level of confidence to investors considering developments in Belfast – investors want a one stop shop approach • Ensure a targeted and holistic approach is taken to addressing blighted areas and development sites across the city including the city centre which is the regional gateway • Ensure public spaces are managed and improved in a coherent way • Ensure greater alignment of physical regeneration with the emerging local development plan
4.3	It makes no sense that Councils are now charged with bringing forward local development plans and community plans, setting out a vision for their areas in terms of commerce, town and city centres, housing, accessibility, economic development and improvements in local neighbourhoods only to have a separate government department hold the powers for comprehensive development schemes as well as drawing up masterplans & delivering local projects driven by different priorities.
4.4	Members will be aware that Full Council, at its meeting on the 1 December 2015, agreed that a call be submitted to the NI Assembly (and Executive Ministers) to undertake an early review of the decision taken by DSD not to transfer regeneration powers in April 2016. It was also agreed that Council officers do their utmost to work around such a decision to the city's benefit.

4.5	<p>As instructed by the Strategic Policy and Resources Committee a formal request has been submitted for a cross-party delegation to urgently meet with the Social Development Minister, Mervyn Storey, MLA. The purpose of this meeting is to explore what alternative arrangements could be possibly put in place to enable the Council to utilise regeneration powers on behalf of DSD (and incoming new Department for Communities) to ensure the continued development of the city over the coming months. The Council has been exploring a range of options including:-</p> <p>(i) Agency Agreement - Enter into an 'Agency Agreement' under section 104 of the Local Government Act 1972 which enables the Council to undertake regeneration powers on behalf of the department and access associated funding. This would require the consent of the Minister.</p> <p>(ii) Alternative partnership arrangements – entering into a partnership agreement with DSD utilising legislative vehicles such as e.g. a Memorandum of Understanding which could underpin a shared agreement and responsibility to deliver key development schemes based on the exercise of the statutory powers of each organisation.</p>
4.6	<p>Each option would require the agreement of the Social Development Minister and it is important that the Council proactively seeks to secure such agreement as it is of mutual benefit to both organisations. It is also important that the Council has an opportunity to work alongside DSD (and incoming new Department for Communities) and input into any processes put in place to determine the future allocation of both capital and revenue funding within Belfast. The Council would also seek to work with DSD and central government to ensure that major development schemes within the city come to fruition.</p>
<u>Asset Transfer</u>	
4.7	<p>In anticipation of transfer, the Council has already entered into various agreements and are currently in discussion with DSD in respect of certain DSD assets which are required to facilitate the delivery of a number of key regeneration projects contained within the Council's Investment Programme and/or City Centre Investment Plan.</p>
4.8	<p>To date the DSD has worked with the Council to facilitate projects involving land assets owned by the Department and have not sought market value for sites due to their pending transfer to Council under local government reform. The pragmatic approach taken by DSD has been to assist Council in bringing forward key projects and have permitted work to be undertaken on their land, by way of licence or similar legal agreement, in advance and in anticipation of transfer in April 2016.</p>
4.9	<p>It is important to note that investment decisions have already been made and projects are being delivered in respect of some assets which DSD own or have legal interest in, such as Girdwood and the Waterfront Hall. In other cases there are emerging council projects that affect DSD owned asserts such as proposed playground and leisure schemes across the city.</p>

4.10	Again, as the transfer is no longer happening in April 2016, the Council is seeking to secure agreement with DSD which permits the use of/transfer of assets owned by the Department at nil cost to the Council to enable physical regeneration projects to happen at both a city and neighbourhood level. It is important to recognise that the lands held by DSD are for regeneration purposes.
<u>Continuing to Invest in the Regeneration and Development of the City</u>	
4.11	The new larger Belfast City Council remains committed to using its new powers to drive economic growth attract investment, create jobs and improve the quality of life across the city. Our plans include a physical investment programme valued in excess of £400million over the next number of years, with £185million of investment already completed or underway across Belfast. This includes key economic infrastructure projects such a, for example, £29.5m extension to the Waterfront Hall creating a world class conference centre, £18m investment in Girdwood Community Hub opening in January 2016, and a £9.1m Innovation Centre opening in summer 2016.
4.12	There is a momentum gathering pace across Belfast particularly in the property, hotel, office and student housing sectors, but we've got to harness it now. To ensure Belfast punches above its weight, we have to make it easy to do business in the city, develop key city infrastructure, maximise investment opportunities and connect local people to jobs and opportunity. It is important to recognise that delivering the outcomes set out within the City Centre Regeneration and Investment Strategy can only be achieved in partnership and working jointly on key projects.
4.13	To this end strategic partnerships are being formed including a City Centre Development Board which is seeking to develop implementation and resource plans to deliver Members' ambitions for the city centre. Furthermore, a 'Belfast Strategic Issues Group' has recently been established, comprising of senior representation from Executive departments (i.e. Permanent Secretaries) and chaired by the Chief Executive of Belfast City Council. The core focus of this group is to encourage greater alignment and integration between policies, plans, programme and initiatives and where possible to support the delivery, in a holistic way, of key development schemes including critical city infrastructure projects.
4.14	A key lever for the Council is the recent creation of the £18.7m City Centre Investment Fund which will help incentivise private sector investment in the city address potential areas of market failure and enable key regeneration projects to happen through the potential targeted acquisition of strategic development sites. Work is also underway to develop a ' Place Positioning ' Strategy which will promote Belfast as a major tourism and investment location and seek to secure further foreign direct investment into the city.

	<u>City-Region Devolution</u>
4.15	<p>In February 2015, the Shadow Strategic Policy and Resources Committee considered a Notice of Motion entitled “City Growth”. The motion stated:</p> <p><i>...“Belfast City Council: notes that the RSA City Growth Commission recognises that major city regions, including Belfast, are the main drivers of economic growth; and that the British Government has undertaken ‘City Deals’ with 28 cities outside London, including Glasgow, to boost infrastructure investment, promote economic growth and create jobs.</i></p> <p><i>Accordingly, the Council will consider how the recommendations by RSA City Growth could be promoted to enhance Belfast’s position as a city region. The Council agrees to develop an action plan to seek to secure a ‘City Deal’ for Belfast which will support our ambitious plans, enhance the rate base, boost investment, promote economic growth, create jobs and ensure that the benefits of economic growth reach disadvantaged communities”....</i></p>
4.16	<p>The Council now intends to pursue an agenda for greater devolution to the city-region. This will seek to promote the role of Belfast (and cities) as economic drivers and major contributors to regional growth and prosperity. It will also seek to establish a differential relationship between Belfast, the NI Executive and central government.</p>
4.17	<p>There is a growing trend towards greater localism and place-based packages which involve the devolution of powers and budgets alongside new innovative policy, legislative and fiscal regimes which are empowering cities and local authorities to develop their area, improve public services, and boost the local economy. The associated introduction of new funding models such as City Deals is enabling cities such as Manchester, Liverpool, Leeds, Sheffield, and Glasgow to unlock the development potential of their locality. It is also providing such cities with access to specified funding to invest in key growth areas, provide critical city infrastructure, deliver key regeneration and development schemes, and support specific programmes such as e.g. skills, employability and business start-up.</p>
	<p><u>Financial & Resource Implications</u></p>
4.18	<p>There will be financial/resource implications attached to the non-transfer of regeneration powers and budgets to the Council given the fact that these were being considered as part of the Council’s overall approach & funding towards the delivery of regeneration activity within the city.</p>
4.19	<p>Further detailed reports on the financial and budget implications will be brought back to Committee in-line with the budget estimates process and timetable.</p>
	<p><u>Equality or Good Relations Implications</u></p>
4.20	<p>Development of new policies and/or service delivery models will be subject to equality screening and, where required, EQIA process.</p>
5.0	<p>Documents Attached Appendix 1 – Correspondence from Social Development Minister, Mervyn Storey MLA</p>